



December 24, 2018

Métis National Council
4 – 340 McLaren Street,
Ottawa, ON
K2P 0M6

Dear Ms. Watteyne

I acknowledge receipt of your letter dated December 17, 2018 as well as three binders containing information relating to the sample of transactions selected by EY for 2015-2016 to 2017-2018.

As we discussed when we first met in August 2018, the Department received allegations involving departmental funding provided to Métis National Council. The issues that were brought to our attention concerned the procurement of professional services and the reimbursement of expenditures which may have resulted in Departmental funding being used for ineligible expenditures. As a result, in accordance with Section 11.0 through 11.1 of the Funding Agreement, we agreed with MNC to conduct a financial review for the three-year period 2015-2016 to 2017-2018.

With respect to your request for the disclosure of the allegation, we are unable to provide further details. Allegations are obtained confidentially and disclosing detailed information may compromise the identity of the complainants. Therefore, it can be considered as a breach of the Privacy Act and can have an impact on the ongoing review.

The objective of the review is to determine whether the MNC is operating in accordance with the financial terms and conditions of the funding agreements, and the scope is for 2015-2016 to 2017-2018. There have been no changes to the scope of the review from the beginning of our work. The sample size and the requests for clarification were consistent with the work EY has been requested to conduct.

We appreciate the level of effort required to gather the information being requested. We understand that EY has communicated its willingness to attend at your offices to gather the documentation required to complete their work including examining the documentation on site in order to facilitate the review and ease the burden placed on MNC staff.

We appreciate the cooperation demonstrated by MNC in the work conducted so far, and we look forward to your continued collaboration with the Department and EY in finalizing the review.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Lafrenière', with a stylized flourish at the end.

Jean-Marc Lafrenière
Director, Assessment and Investigation Services Branch
Audit and Evaluation Sector

c.c. David Chartrand, Minister of Finance
David Peckham, Chief Audit and Evaluation Executive